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ABSTRACT

This report describes the program for financing public schools in Florida. The first section supplies general information for those having a casual interest in state funding of schools while the second section and appendixes provide more detailed descriptions for the school administrator or the student of school finance. The report should also be a useful reference for individuals wishing to identify legal authorization for various portions of the funding program. The first section (introduction) describes key features of the Florida Education Finance Program and provides background information about local, state, and federal support of education in the state. The second section identifies legal authorizations, outlines the requirements for participation, defines terms, and describes the current formula for distributing state funds to public schools. The appendixes supply details about selected parts of the funding program and summarize information about related state programs, including the appropriations to categorical programs. (Author/IRT)

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STATISTICAL REPORT

Series 77-04

November 1976

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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FLORIDA EDUCATION FINANCE PROGRAM:

State Support for Public Schools 1976 - 1977

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Division of Public Schools' MIS

EA 009 241

Statistical Report 77-04 is a description of the state program for financing public schools in Florida. The report was prepared by Management Information Services Section of the Bureau of Planning, Division of Public Schools, Florida Department of Education. For additional information contact Chase Crawford, 275 Knott Building, 904/487-2280.
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Florida Department of Education
Tallahassee, Florida
32304

Ralph D. Turlington, Commissioner

The reprint of this public document was promulgated at an annual cost of $132.11 or $ .2642 per copy to provide information regarding state financing of public schools.

FLORIDA EDUCATION FINANCE PROGRAM

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FOREWORD

This report describes the program for financing public schools in Florida. The intent is to supply general information for those having a casual interest in state funding of schools and more detailed descriptions for the school administrator or the student of school finance. In addition, the document should be a useful reference for individuals wishing to identify legal authorization for various portions of the funding program.

The first section of the report (Introduction) describes key features of the Florida Education Finance Program (FEFP) and provides background information about local, state and federal support of education in the State.

The second section (Description of State Distribution) identifies legal authorizations, outlines the requirements for participation, defines terms, and describes the current formula for distributing state funds to public schools.

The appendices supply details about selected parts of the funding program and summarize information about related state programs.

INTRODUCTION

Traditionally state agencies have distributed dollars to school districts by formulas based upon instruction units or special services. In 1973, the Florida Legislature passed the Florida Education Finance Program (FEFP) which changed the focus for funding education in the State. The intent of the law is:

> "To guarantee to each student in the Florida public school system the availability of programs and services appropriate to his educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors." (Section 236.012 (1), Florida Statutes)

The key feature of the finance program is to base financial support for education upon the individual student participating in a particular educational program rather than upon the numbers of teachers or classrooms. FEFP funds are generated by multiplying the number of full-time equivalent students (FTE's) in each of 26 educational programs by cost factors to obtain weighted FTE's. Weighted FTE are then multiplied by a base student allocation and multiplied by a district cost differential to determine the basic amount for the operation of the various programs which earn FEFP funding in the district. Program cost factors are determined by the Legislature and represent relative cost differences between programs.

To provide equalization of educational opportunity in Florida, the FEFP formula recognizes (1) varying program cost factors, (2) district cost differentials, (3) variations in transportation services, (4) differences in per student cost for equivalent educational programs due to sparsity and dispersion of student population, and (5) a compensatory education supplement.

The following paragraphs provide background information regarding financial support for education in Florida. The information relates to state, local and Federal sources of support for public education in the State. The school districts of Florida received 54.48% of their financial support of schools from state sources, 35.61% from local sources and 9.92% from Federal sources for 1974-75.

State Support. -- Funds for state support to school districts are provided primarily by legislative appropriations. The major proportion of state support is distributed under the provisions of the Florida Education Finance Program. The distribution of state funds is described in detail in the "Description of State Distribution" section of this document.

Capital outlay funds to the districts are provided in two sections of the Florida Constitution. Article XII, Section 9(d) provides a stated amount to each district annually from proceeds of licensing of motor vehicles. Article XII, Section 9(a) provides that school districts may share in the proceeds from gross utilities taxes as provided by legislative allocation.

In addition to the basic FEFP, funds are appropriated for categorical programs. These programs are listed in the "Description of State Distribution" section of this document and are described in more detail in Appendix B. There are also special allocations including funds for environmental education programs and for instructional materials for the visually handicapped.

Other State Support. -- Racing Commission funds are distributed to each county in equal amounts. Many counties share this revenue with school districts according to legislative acts of local application.

Local Support. -- Local revenue for school support is derived primarily from real and personal property taxes. There are no local non-property taxes levied specifically for schools. Each of the 67 school districts in the State is a county-wide district.

Each school board desiring to participate in the state allocation of funds for current operation of schools may levy up to 8 mills of tax on the nonexempt assessed valuation of property for the current operation of the schools. Each board must levy the millage rate specified as the required local effort; for 1976-77 this rate is 6.3 mills. Under present law the rate is set each year by the Legislature.

In addition, qualified electors may vote an additional millage levy for operation and capital outlay purposes for a period not to exceed two years. State Board of Education Rules prohibit school districts from issuing school bonds in excess of 10% of the nonexempt assessed valuation of the district except with specific State Board approval.

Tax levies for debt service are in addition to the levies for current operation but are limited by State Board of Education Rules to 6 mills except with specific Board approval.

Federal Support. -- The State Board of Education must approve plans for cooperating with the Federal government in carrying out any phase of the educational program in which it finds cooperation desirable and must provide for the proper administration of funds apportioned to the State from Federal appropriations. The State Board is responsible for prescribing rules covering all contracts or agreements made with Federal agencies by tax supported public schools. All funds accruing from contracts entered into by a district school board and a Federal agency, pursuant to rules of the State Board, must be accounted for as prescribed by the State Board.

The State Commissioner is responsible for recommending ways of cooperating

with the Federal government on any phase of the educational program in which cooperation is desirable. The Commissioner recommends policies for administering funds appropriated from Federal sources to the State for any educational purpose, and provides for the execution of plans and policies approved by the State Board.

Local school systems receive funds from the Federal government directly and through the State as a distribution agency. Federal funds received by local school systems may be administered by various agencies such as the Department of Labor; Veterans Administration; Department of Interior; Department of Health, Education and Welfare; Office of Economic Opportunity; Department of Defense; and Department of Agriculture.

Examples of Federal legislation under which local school districts may receive revenue are:

Adult Education Act, Title III, PL 91-600, as amended
Civil Defense Act, PL 81-920, as amended
Civil Rights Act of 1964, Title IV, PL 88-352
Comprehensive Employment Training Act of 1973, PL 93-20
Economic Opportunity Act of 1964, Neighborhood Youth Corps, PL 88-452
Education of the Handicapped, PL 91-230
Education Professions Development Act, PL 90-35, Part B-2
Elementary and Secondary Education Act of 1965, Titles I, II, III, IV-B, IV-C, V, VI, VII, and VIII, PL 89-10 as amended (ESEA Title II, III, and V phased out by 1977, PL 93-380)
Emergency School Assistance Program, PL 91-380
Federal Communications Act (ETV Facilities), PL 87-447
Head Start, PL 91-177
Higher Education Facilities Act of 1963, PL 88-204
National Defense Education Act of 1958, Titles III and V-A, PL 85-864, as amended (NDEA, Title III phased out by 1977, PL 93-380)
National Forest Funds, PL 83-690
National School Lunch Act of 1946, PL 79-396, as amended
School Assistance (Construction) in Federally Affected Areas, PL 81-815, as amended
School Assistance (Current Operation) in Federally Affected Areas, PL 81-874, as amended
Veterans' Readjustment Assistance Act of 1952, PL 82-550, as amended
Vocational Education Act of 1963, PL 88-210, as amended by PL 90-576

This document addresses the funding of public K-12 and adult education administered by the school districts in the State. It does not describe financial support of the community colleges nor of the universities.

DESCRIPTION OF

STATE DISTRIBUTION

FLORIDA EDUCATION FINANCE PROGRAM

LEGAL AUTHORIZATION. -- Sections 236.012-236.68, Florida Statutes

APPROPRIATION. -- $ 994,655,646

REQUIREMENTS FOR PARTICIPATION. -- Each district which participates in the state appropriations for the Florida Education Finance Program (FEFP) shall provide evidence of its effort to maintain an adequate school program throughout the district and shall meet at least the following requirements:

(1) Maintain adequate and accurate records including a system of internal accounts for individual schools, and file with the Department of Education, in correct and proper form, on or before the date due, each annual or periodic report which is required by the Rules of the State Board.

(2) Operate all schools for a term of at least 180 actual teaching days or the equivalent on an hourly basis. Upon written application, the State Board may prescribe procedures for altering this requirement.

(3) Provide written contracts for all instructional personnel and require not less than 196 days of service for all members of the instructional staff.

(4) Expend funds for salaries in accordance with a salary schedule or schedules adopted by the School Board in accordance with the provisions of the law and Rules of the State Board.

(5) Observe all requirements of the State Board relating to the preparation, adoption, and execution of budgets for the district school system.

(6) Make the minimum financial effort (specified in millage) required for participation in the Florida Education Finance Program as prescribed in the current year's general appropriations act. Maintain an ongoing systematic evaluation of the educational program needs of the district and develop a comprehensive annual and long-range plan for meeting the needs.

(7) Levy the required local effort millage rate (6.3 mills for 1976-77, Chapter 76-285, Laws of Florida) but no more than 8 mills on the nonexempt assessed valuation of the district, exclusive of the district millage voted for operation and capital outlay purposes under the provisions of Article VII Section 9(b) of the State Constitution and for required debt services under the provisions of Artilce VII Section 12 of the State Constitution.

DEFINITIONS. -- The following statements define terms used in the Florida Education Finance Program.

Membership hour. -- A membership hour is sixty minutes of the district's instructional program as defined by district school board minutes. Instructional periods other than sixty minutes should be converted to two place decimal form. For example, a student with six periods of 55 minutes (.92 hour) would be in membership 5.52 hours per day.

Full-time equivalent student. -- The following statements define a full-time equivalent student in accordance with the provisions of the FEFP:

(1) A full-time student in any of the programs listed in the FEFP.

(a) Grades 4-12 (regular session)

One student on the membership roll of one school program or a combination of school programs for five schools days (one school week) or the equivalent consisting of not less than 25 net hours.

(b) Grades 4-12 (double session)

One student on the membership roll of one school program or a combination of school programs for five school days (one school week) or the eqivalent consisting of not less than 22 1/2 net hours.

(c) Kindergarten - Grade 3 (regular session)

One student on the membership roll of one school program or a combination of school programs for five school days (one school week) or the equivalent consisting of not less that 20 net hours.

(d) Kindergarten - Grade 3 (double session)

One student on the membership roll of one school program or a combination of school programs for five school days (one school week) or the equivalent of not less than 17 1/2 net hours.

(2) A combination of full-time or part-time students in one of the programs listed in the FEFP which is the equivalent of one full-time student based on the following calculations.

(a) A full-time student, except post-secondary and adult, in a combination of programs listed in the FEFP shall be a fraction of a full-time equivalent membership in each program equal to the number of net hours per week for which he is a member divided by 25.

(b) A student in the basic half-day kindergarten program of not less that 12 1/2 net hours shall earn 1/2 of a full-time equivalent membership.

(c) A part-time student, except post-secondary and adult, shall be a fraction of a full-time equivalent membership in each basic and special program equal to the number of net hours or major fraction thereof per week for which he is a member divided by 25.

(d) All post-secondary and adult students shall be a portion of a full-time equivalent membership in each special program equal to the net hours or major fraction thereof per fiscal year for which he is a member, divided by 900.

For the purposes of calculating the full-time equivalent student membership, a student is considered in membership until he withdraws or until the sixth consecutive school day of his absence, whichever comes first.

Full-time equivalent student membership in programs scheduled for more than 180 days shall be limited to special exceptional student, vocational-technical, and adult general education programs and to basic programs offered for promotion or credit instruction.

Determination of full-time equivalent membership. -- During each of several specified school weeks during the fiscal year a program membership survey of each school is made by each district by aggregating the full-time eqivalent student membership of each program by school and by district.

Program cost factor. -- The Legislature established cost factors based on relative cost differences between the programs listed on the next page. For example, one full-time equivalent student in grades 4 through 9 earns $754.51. However, one full-time equivalent student in grades K through 3 earns 1.234 multiplied by $754.51 which equals $931.07.

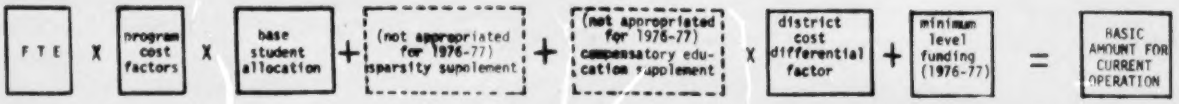
Basic Programs	Cost Factor
Kindergarten and Grades 1, 2, and 3	1.234
Grades 4, 5, 6, 7, 8, and 9	1.00
Grades 10, 11, and 12	1.10
Special Exceptional Student Programs	
Educable mentally retarded	2.30
Trainable mentally retarded	3.00
Physically handicapped	3.50
Physical & occupational therapy, part-time	6.00
Speech and hearing therapy, part-time	10.00
Deaf	4.00
Visually handicapped, part-time	10.00
Visually handicapped	3.50
Emotionally disturbed, part-time	7.50
Emotionally distrubed	3.70
Socially maladjusted	2.30
Specific learning disability, part-time	7.50
Sepcific learning disability	2.30
Gifted, part-time	3.00
Hospital & homebound, part-time	15.00
Special Vocational-Technical Programs	
Vocational Education I	4.26
Vocational Education II	2.64
Vocational Education III	2.18
Vocational Education IV	1.69
Vocational Education V	1.40
Vocational Education VI	1.17
Special Adult General Education Programs	
Adult basic education & adult high school	1.28
Adult community service *	.675

Base student allocation. -- The base student allocation is determined annually by the Legislature. For the 1976-77 school fiscal year, the base student allocation is $754.51. However this allocation may be adjusted upward if the appropriation exceeds the total amount earned by school districts.

* Not funded through FEFP for 1976-77.

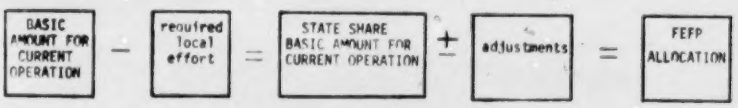
FORMULA FOR DISTRIBUTING STATE DOLLARS

The BASIC AMOUNT FOR CURRENT OPERATION under the FEFP for each district is determined in the following manner:



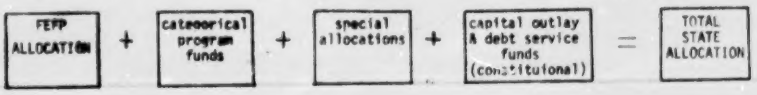
1. the full-time equivalent student member in each program; multiplied by
2. the cost factor for each program; multiplied by
3. the base student allocation factor; plus
4. the sparsity supplement (not appropriated for 1976-77); plus
5. the compensatory education supplement (not appropriated for 1976-77); multiplied by
6. the district cost differential factor; plus
7. the minimum level funding (no loss or hold harmless)

The FEFP ALLOCATION for the support of public education is determined in the following manner:



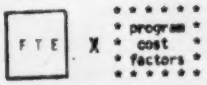
1. from the basic amount for current operation, subtract
2. the required local effort;
3. to the remainder, which is the state share of the basic amount for current operation, add or subtract any applicable adjustments

The TOTAL STATE ALLOCATION for the support of public education is determined in the following manner:



1. to the FEFP allocation, add the categorical program funds; add
2. any special allocations due; add
3. the constitutional capital outlay and debt service

The following paragraphs more fully describe each step in the funding formula.



Section 236.081(1)(a), Florida Statutes, specifies that full-time equivalent membership is determined in the following manner. During each of several school weeks during the fiscal year, a program membership survey of each school is made by each district by aggregating the full-time equivalent student membership of each program by school and by district. The district's full-time equivalent membership is computed and maintained in accordance with rules of the State Board.

Section 6A-1.451(3), State Board Rules, establishes that during the year, at least four full-time equivalent student membership surveys are conducted under the administrative direction of and on the schedule provided by the Commissioner. Section 236.081(1)(a) F.S. specifies that the number of full-time equivalent membership surveys shall not exceed nine in a fiscal year.

The Commissioner's 1976-77 full-time equivalent student membership survey schedule is as follows:

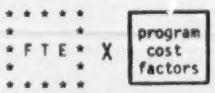
SURVEY	DATES	PERIOD COVERED
1	July 12 - 16	July 1, 1976 to the beginning of the 180 day school year as defined by the district.
2	October 25 - 29	The first 90 days of the 180 day school yeas as defined by the district.
3	February 21 - 25	The second 90 days of the 180 day school year as defined by the district.
4	June 20 - 24	From the end of the 180 day school year as defined by the district through June 30, 1977.

Students in a program scheduled for less than 180 days shall be a fraction of full-time equivalent member based upon the number of scheduled days divided by 180.

For the purpose of calculating the full-time equivalent student membership, a student is eligible if both of the conditions on the next page are satisfied:

(1) The student is in program membership at least one day during the survey, and

(2) The student is in attendance at least one of the days of the survey or one of the six days preceding the survey on which attendance was scheduled in school.



The FTE is multiplied by the appropriate program cost factor. The 26 programs identified by the Legislature are arranged into areas consisting of (1) basic programs, (2) special exceptional student programs, (3) special vocational-technical programs, and (4) special adult general education programs. The cost factors identified for the programs range from 1.00 for grades 4-9 basic to a high of 15.00 for hospital and homebound part-time students. The application of the program cost factors to the full-time equivalent membership results in a weighted FTE for each program.

1976-77 Constraints. The Legislature placed the following constraints or caps on the level of state support in certain of the program areas.

(1) There is no limit specified in the category of basic programs for grades K-12.
(2) The weighted full-time equivalent student membership in special exceptional student programs shall not exceed 214,000.
(3) The weighted full-time equivalent student membership in special vocational-technical programs shall not exceed 305,246.
(4) The weighted full-time equivalent student membership in the adult basic education and adult high school programs shall not exceed 31,656.
(5) The weighted full-time equivalent student membership in the adult community service program shall not exceed 0. (See explanation immediately below.)

Adult Community Service Program

The Adult Community Service Program was not included in the Florida Education Finance Program for funding purposes for 1976-77. However, an amount of $2,300,000 has been appropriated for the support of Community Instructional Services offered by school districts and community colleges for 1976-77.

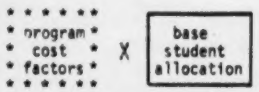
The Commissioner is required to develop procedures for the equitable distribution of these funds to the various school districts and community colleges, after giving consideration to "need, target population, existing or potential duplication of effort, estimated costs and appropriate fees to

be charged." Priority must be given to those programs that include arrangement for the cooperative use of facilities and resources of other public or private institutions, agencies, and organizations.

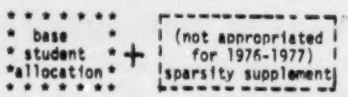
The Department of Education is directed to review the method of projecting enrollment and determining incidence in all special exceptional student programs, special vocational-technical programs and special adult general education programs and to report to the Legislature a 3 year projection of full-time equivalent students in these programs.

Administering maximums. In administering the maximums, the Department shall review each district's program and needs with each scheduled student membership survey and may reassign the authorized weighted membership within the maximums provided.

In any district in which the actual full-time equivalent membership multiplied by the appropriate cost factors exceeds the assigned maximum, such excess full-time equivalent student membership is computed at a cost factor of 1.00.



The base student allocation is determined annually by the Legislature. For the 1976-77 school fiscal year, the base student allocation is $754.51. However, this allocation may be adjusted upward if the appropriation exceeds the total amount earned by school districts.



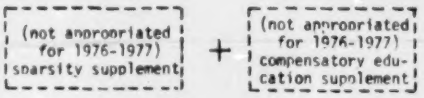
Annually, in an amount to be determined by the Legislature, some school districts will qualify for a sparsity supplement. The factor of extra cost to school districts due to sparsity of pupil population for equivalent educational programs is computed as follows:

$$\text{Sparsity factor} = \left\{ \frac{1101.8918}{2700 \text{ plus the sparsity index of the district}} \right\} \text{ minus } 0.1101$$

Districts with a sparsity index of 1,000 or less are computed as having a sparsity index of 1,000 and districts having a sparsity index of 7,308 and

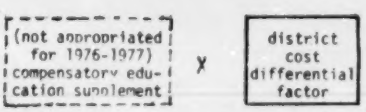
above are computed as having a sparsity factor of 0.

The district sparsity index is computed by dividing the total number of full-time equivalent students in all programs in the district by the number of senior high school centers in the district, not in excess of three. The senior high school centers must be approved as permanent centers by a survey made by the Department of Education.


(not appropriated for 1976-1977) sparsity supplement
+
(not appropriated for 1976-1977) compensatory education supplement

Annually, in an amount to be determined by the Legislature, a supplement to the base student allocation shall be added to all full-time equivalent students in basic programs qualifying for compensatory education in accordance with criteria, including low achievement test scores, socio-economic level, and low standard English comprehension level, established by rules of the State Board. Such rules shall be designed to maintain consistency with the applicable Federal law and regulations so as to prevent impairment, interruption, or loss of any federal funds allocated to the State for compensatory education of public school students.

The Department of Education shall, after taking into consideration all funds available from all sources, annually recommend to the Legislature an amount sufficient to carry out the purpose of this program. The Legislature shall annually fix such supplements on a full-time equivalent student basis.



Next, the district cost differential factor is applied to the formula. The cost differential factors range from a low of 0.91696 to a high of 1.07408. See Appendix H for a list of the 1976-77 district cost differential factors and an explanation of their derivation.

Vocational Equipment Replacement

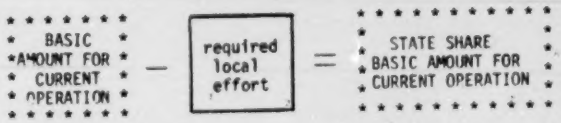
Of the amount generated by weighted FTE in 1976-77 in Vocational programs, $3,500,000 is required to be earmarked solely for the purpose of purchasing replacement equipment for vocational classes. Updated equipment which does not change the scope or primary objectives of the course in which it is used is considered replacement equipment.

A minimum level funding (no loss or hold harmless provision) is added which guarantees that each district will receive a minimum level of funding per full-time equivalent student in 1976-77 equal to the amount per full-time equivalent student received in 1975-76.

The 1975-76 figure is determined by multiplying the weighted full-time equivalent membership by the base student cost, adjusting by the district cost differential, subtracting the required local effort, and adding the yield of the actual nonvoted millage. The figure obtained is divided by the actual unweighted full-time equivalent membership to determine the funding per student. This funding is multiplied by the 1976-77 unweighted FTE to provide a base.

The 1976-77 figure is determined by multiplying the weighted full-time equivalent membership by the base student allocation, adjusting by the district cost differential, subtracting the local required effort, and adding the yield of an eight-mill levy on 95% of the tax roll.

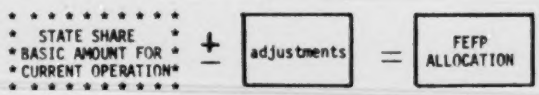
If the total amount for 1976-77 in a district is less than the amount calculated for 1975-76, then the state allocation is increased to that district in an amount sufficient to maintain the 1975-76 level of funding.



The district required local effort is subtracted from the basic amount for current operation. The amount (required local effort) that each district shall provide toward the cost of the Florida Education Finance Program shall be calculated in the following manner.

The Department of Revenue on or before July 10, based on the latest available data obtained from the local property appraisers, shall certify to the Commissioner of Education its most recent estimate of the nonexempt assessed valuation of each school district for the current calendar year. The Commissioner, upon receipt of the data, shall calculate each district's required local effort by computing 95% of the district's nonexempt assessed valuation and multiplying this product by the millage rate prescribed in the current year's general appropriation act, which for 1976-77 is 6.3 mills.

The Department of Revenue shall, upon receipt of the official final tax-roll from each of the property appraisers, certify to the Commissioner the total assessed valuation of nonexempt property in each school district, subject to several provisions regarding contested assessments. The Commissioner shall then recalculate each district's required local effort. This revised calculation shall be the official required local effort for that district for that fiscal year. The official final tax roll shall be the one on which the tax bills are computed and mailed to tax-payers.

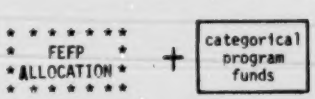


Administrator-Teacher Ratio Adjustment

If the Commissioner determines that the administrator-teacher ratio for any school district, exclusive of federally funded positions, for 1976-77 is greater than the ratio in either of the two preceding years, the district's allocation of state funds for 1976-77 will be reduced by an amount equal to the excess number of administrators multiplied by the average salary for administrators in the district.

Prorated Amount Less Adjustment. -- If the funds appropriated for the total program are insufficient to pay the requirements in full, a procedure for prorating available funds is established to insure maintenance of the equalization principle.

Prior Year Adjustment. -- A provision is also added to authorize the Department to make prior-year adjustments in the allocation of funds to a district for arithmetical errors, assessment roll changes, full-time equivalent membership errors, or allocation errors revealed in an audit report.



Categorical program funds are added to the basic FEFP program funds distributed to districts. These categorical appropriations may be funded as general and transitional categorical programs. It is the intent of the Legislature that no transitional categorical program be funded for more than four fiscal years from the date of original authorization. The 1976-77 categorical programs are listed on the next page.

General Categorical Programs

Legal Authorization	Program Title	1976-77 Appropriation
228.071	Community Schools	$ 1,612,392
229.545	Educational Leadership Training Programs	none
236.122	Instructional Materials	$10,366,617
228.195	School Lunch Programs for the Needy	$ 3,953,239**
236.083	Student Transportation	$41,798,855
233.069	Vocational Improvement Fund	none

Transitional Categorical Programs

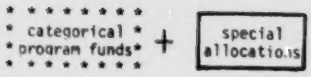
Federal only	Bilingual Program (1973)*	none
229.840	Career Education (1974)*	none***
233.067	Comprehensive Health Education Program (1973)*	$ 961,700
233.063	Driver Education (1973)* (Program funded in basic FEFP, 1976-77)	none
236.086	Elementary School Counselors (1973)*	none***
229.832	Exceptional Child Support Services (1974)* (Regional Diagnostic-Resource Centers for Exceptional Students)	$ 585,000
236.085	Occupational Specialists and Placement Specialists (1973)*	none***
232.255	Safe Schools Program (1973)*	none
230.23(4)(n)	Severely and Profoundly Retarded (1973)*	$ 832,000
	Student Development Services (1976)*	$14,865,295***

* Date of original authorization or 1973 whichever is later

** These funds used for state matching of federal food and nutrition funds

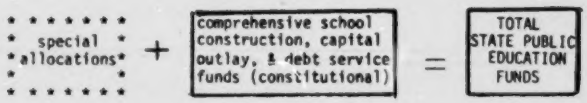
*** Beginning with 1976-77, the Student Development Services Program consolidates three previous transitional categorical programs; namely, Elementary School Counselors, Occupational Specialists and Placement Specialists, and Career Education.

Additional information is contained in Appendix B.



Any special allocation of state dollars to districts is added to the amount distributed to districts. One such allocation is the Distirct Environmental Education Act of 1973 (Section 229.8055, FS) as amended in 1975. This act specifies that each district school board, and each school principal through the district school board, may submit to the Commissioner a proposed program designed to effectuate an exemplary environmental education project in the district. In practice, all 67 school districts have participated in the program each year and project funding has ranged from $500 to $10,000. During the 1976-1977 fiscal year there is a $270,954 appropriation to be distributed among proposed projects.

Another example is the provision of instructional materials for the visually handicapped of the State as provided in Section 233.056, Florida Statutes. The appropriation of $146,000 (1976-1977) for the support of an instructional materials center is to provide materials for the visually handicapped throughout the State. Still, another example is the Adult Community Services Program for Community Instructional Services which was discussed earlier.



Article XII, Section 9(a), of the Constitution of the State of Florida and Section 236.084, Florida Statutes provide comprehensive school construction and debt service funds to Florida school districts, along with specified amounts to the Boards of Trustees of Community Colleges, the Board of Regents and the Board of Trustees of the Florida School for the Deaf and Blind. The State Board of Education may allocate up to the amount authorized for approved capital outlay projects.

For 1976-77, $81,133,990 has been allocated for approved capital outlay projects for school districts. Of this amount $3,000,000 is for multi-district projects for exceptional student education, and of this latter amount, $50,000 is for projects for students who are both deaf and blind. In addition for 1976-77, $21,431,620 has been allocated for approved capital outlay projects for designated area vocational-technical centers.

The annual allocation to each district is determined as follows:

(1) Determine the cost of the projected school plant needs, the five year projected debt service needs on voted ad valorem bonds, and the expenditures of ad valorem taxes in excess of 10 mills for each district for the past five years. Funds budgeted from current ad valorem tax revenue will not be considered in determining the unmet need. (See Section 237.084 (1), F.S.)
(2) Determine the projected additional resources available under the provisions of Section 9(d), Article XII of the State Constitution as amended in 1972, and the projected amount available to each district from other fund sources allocated for school plants.
(3) From the costs of the projected school plant and 5-year projected debt service needs on local bond issues for each district subtract the projected additional resources available and add the expenditure of ad valorem taxes in excess of 10 mills. The result represents the estimated cost of unfunded school plant and debt service needs for each district.
(4) The funds are allocated to the respective districts in proportion to their percentage of the state total of unfunded school plant and debt service needs.

Relocatables provided under Section 235.211, F.S. are included in the district inventory of school facilities, but shall only be rated at one-half of actual pupil capacity for purposes of the inventory and future needs determination.

Relocatable facilities (Section 235.211, F.S.). -- Upon the request of the School Board, the State Board provides relocatable educational facilities for use at school centers where there is an immediate need for pupil stations and where there is reason to believe the pupil population will not remain stable.

The Department is empowered and directed to provide systems-based, modular, relocatable facilities and to purchase or contract for purchase of such modular relocatable facilities. The ownership of such facilities rests with the State Board, and they are loaned to district school boards for use as instructional facilities on a pupil-station-need basis.

Requests for use of these facilities are based on the relative numbers of students in each district in excess of the single-session capacity of the district.

Article XII, Section 9(d), of the Constitution of the State of Florida provides capital outlay and debt service funds for school districts. It specifies that the first proceeds of the revenues derived from the licensing of motor vehicles shall be distributed annually among the school districts in the ratio of the number of instruction units. These funds may be pledged for the payment of State Board of Education bonds (see Appendix E).

For distribution purposes, the 1967-68 school fiscal year was established as a base year with districts receiving $600 per instruction unit up to the 1967-68 total and $800 per instruction unit for those units above the base. The units beyond the base are designated "growth units."

Section 236.602(1), Florida Statutes, specifies the procedures for computing instruction units from FTE's. The number of current instruction units in districts is computed annually by the Department by multiplying the number of full-time equivalent students in each district by the program cost factors (Section 236.081(1)(c), Florida Statutes) and dividing by twenty-three, except that all basic program cost factors shall be one, and the special program cost factors for hospital and homebound part-time and for adult community service shall be zero.

Any portion of the fund not expended during any fiscal year may be carried forward.

The previous pages describe the formula for distributing state dollars for the support of public education in Florida.

The appendices provide additional or more detailed information.

SUMMARY STATE FUNDS

PUBLIC EDUCATION 1976-77

Category	Amount
Florida Education Finance Program	$994,655,646
Categorical Programs	
General Programs	
Community Schools	1,612,392
Education Leadership Training	None
School Lunch Program	3,953,239
Instructional Materials	10,366,617
Vocational Improvement Fund	None
Student Transportation	41,798,855
Transitional Programs	
Bilingual Program	None
Driver Education	None
Elementary School Counselors	None***
Occupational and Placement Specialists	None***
Safe Schools Program	None
Comprehensive Health Education Program	961,700
Exceptional Child Support Services (Diagnostic-Resource Centers)	585,000
Severely and Profoundly Retarded	832,000
Career Education	None***
Student Development Services	14,865,295***
District Environmental Education Program	270,954
Comprehensive School Construction and Debt Service	81,133,990* 21,431,620*
K-12 Capital Outlay and Debt Service	55,528,179**
Visually Handicapped Resources (Instructional Materials Center)	146,000

* Public Education Capital Outlay and Debt Service Trust fund in which the Gross Receipts Tax Trust Fund is deposited. (For more details, refer to last paragraph, page 16.)

** School Capital Outlay Amendment Program

*** Beginning with 1976-77, the Student Development Services Program consolidates three previous transitional programs. (For more details, refer to footnote, page 15.)

APPENDIX B
CATEGORICAL PROGRAMS

GENERAL CATEGORICAL PROGRAMS

Program Title: Community School Program

Legal Authorization: Section 228.071, F.S.

Appropriation: $1,612,392 (1976-77)

The community school promotes a more efficient use of school and other public facilities through an extension of personnel, buildings, and equipment. The purpose of the act is to provide state leadership and financial support by encouraging and assisting local school districts, the Florida School for the Deaf and the Blind, and other local governmental agencies in the establishment of community schools.

Basis for distribution. -- Pursuant to policies and rules adopted by the State Board of Education, each school board and the Board of Trustees for the Florida School for the Deaf and the Blind may submit to the Department a request for a community school grant. For those programs approved, the Department authorizes distribution of a community school grant not to exceed the lesser of one-half of the salary of the Community school coordinator or $6,000 per school year per community school.

Program Title: Educational Leadership Training Program

Legal Authorization: Section 229.545, F.S.

Appropriation: None (1976-77)

The Florida Educational Leadership Training Act (FELTA) promotes programs designed to identify and train school board members, district administrators, supervisors, principals, assistant principals, vocational education program administrators, community college administrators, and persons who are potential candidates for employment in such administrative and supervisory positions.

Basis for distribution. -- Pursuant to policies adopted by the Commissioner, each school board may submit to the Commissioner a proposed program. For those programs approved, the Commissioner is authorized to distribute the funds appropriated in an amount not to exceed one-half of the total cost of the proposed program. However, no funds were appropriated for this program for the 1976-77 fiscal year.

Program Title: School Lunch Programs for the Needy

Legal Authorization: Section 228.195, F.S.

Appropriation: $3,953,239 (1976-77)--used for state matching of federal food and nutrition funds

It is the policy of the State to safeguard the health and well-being of Florida children by providing standards for school food service and by requiring school districts to establish and maintain an appropriate non-profit school food service program consistent with the nutritional needs of children.

Basis for distribution. -- The State provides the per meal difference, when the computed cost of meals served to economically needy children exceeds:

(a) income from federal sources,
(b) receipts from the sale of reduced price meals.

The computed cost of meals shall not exceed the necessary cost of obtaining, preparing, and serving such meals as prescribed by rules of the State Board.

Program Title: Instructional Materials

Legal Authorization: Section 236.122, F.S.

Appropriation: $10,366,617 (1976-77)

The Department is authorized to allocate and distribute to each district an amount as prescribed annually by the Legislature for instructional materials used in grades K-12, exceptional education programs and vocational education programs, which will provide for growth and maintenance needs.

Basis for distribution: growth allocation. -- The growth allocation for each school district is calculated as follows:

(a) subtract the prior year's full-time equivalent membership of the district from the district's projected full-time equivalent membership used in determining the appropriation for the FEFP program;
(b) multiply any increase in full-time equivalent membership by the average cost of a set of instructional materials, including a proportional amount for freight or transportation charges as determined by the Department or as provided in the general appropriations act;
(c) the amount thus determined is that district's total allocation for growth for the school year.

Basis for distribution: maintenance of instructional materials. -- The maintenance of the instructional materials allocation for each school district is calculated by:

(a) multiplying each district's prior year full-time equivalent membership by 20% of the average cost of a set of instructional materials as determined above;
(b) the amount thus determined is that district's total allocation for maintenance for the school year.

In the event the funds appropriated are not sufficient for the purpose of implementing this section in full, the Department prorates the funds available for instructional materials after first funding in full each district's growth allocation.

Program Title: Vocational Improvement Fund

Legal Authorization: Section 233.069, F.S.

Appropriation: None (1976-77)

Beginning with the 1971-72 school year, priority projects in the use of funds appropriated under this section are the development of vocational education programs for the disadvantaged, introductory vocational curricula for junior high and middle schools, training and inservice projects for improving vocational counseling, the career associate program, the development of information systems, and job placement services for graduates of vocational education programs, training, inservice and recruiting projects for vocational teachers and support personnel and projects, such as local education authorities, designed to re-structure vocational education and insure greater community involvement.

Basis for distribution. -- The State Board of Education establishes the rules under which project applications are submitted and funds awarded. District school boards are eligible to apply for such funds. No funds were appropriated for the 1976-77 fiscal year.

Program Title: Student Transportation

Legal Authorization: Section 236.083, F.S.

Appropriation: $41,798,855 (1976-77)

This Act supports the allocation of funds to each district for transportation to the public schools of students in kindergarten through grade 12 and exceptional students.

Basis for distribution. -- Each school district determines the membership of students who are transported:

(a) by reason of living two miles or more from school;
(b) by reason of being physically handicapped, regardless of distance to school; and
(c) by reason of being vocational and exceptional students transported from one school center to another.

Subject to rules of the State Board, each district determines and reports the one-way route mileage required to transport students to school for the first time on any school day and the one-way miles on routes between school centers required to transport exceptional students and vocational students to centers where appropriate programs are provided.

A density index for each school district is computed by the Department annually by dividing the membership of transported students by the one way bus route mileage.

The allocation for each district for a 180 day school term is calculated in accordance with the following formula:

$$\text{Allowable per student cost} = \frac{434.77}{2 + \text{density index of district}} \text{ minus } 13.65$$

Districts with a density index of 1.10 students per route mile or less will be computed as having a density index of 1.10, and districts with a density of 5.90 or more students per route mile will be counted as having a density index of 5.90.

The allocation to each district for transportation is determined by multiplying the allowable cost per student by the membership of all students who are transported.

Provision is made to adjust the transportation allocation proportionately for any school district which provides transportation for a period of time either less than or in excess of the basic 180 days.

Funds allocated or apportioned for the payment of student transportation services may be used to pay local general purpose transportation systems for transportation of students to and from school.

From the transportation appropriation to school districts, $100,000 is required to be deducted and earmarked for up to three pilot projects for transportation of the elderly and the handicapped. In addition the amount which was earmarked, but unused, for this purpose in 1975-76 is carried forward and reappropriated, thereby providing a total of $198,000 for potential pilot projects in 1976-77.

The Department of Education is also required to recommend to the 1977 Legislature a realistic formula for funding transportation of exceptional students.

TRANSITIONAL CATEGORICAL PROGRAMS

Program Title: Bilingual Program

Legal Authorization: Federal Legislation only

Appropriation: None (1976-1977)

Legal authorization for this program resides in federal legislation. There is no state legislation addressing bilingual programs.

Program Title: Driver Education

Legal Authorization: Section 233.063, F.S.

Appropriation: None (1976-1977)

Beginning with the 1975-76 school year, a course of study and instruction in the safe and lawful operation of a motor vehicle shall be made available by the district school board to any student in the secondary schools in the State. The course shall not be made a part of or a substitute for any of the minimum requirements for graduation. In order to make the course available to any secondary student, the district school board may use any one of the following procedures or any combination thereof:

(a) utilize instructional personnel employed by the board,
(b) contract with a commercial driving school licensed under the provisions of Florida Statutes,
(c) contract with an instructor certified under the porvisions of Florida Statutes.

Basis for distribution. -- School districts earn funds on full-time equivalent students at the appropriate basic program cost factor regardless of the method by which such courses are offered.

Section 322.21, F.S. requires that for the purpose of financing the driver education program in the secondary schools, there is levied an additonal 50 cents per year to the driver's license fee. The additional fee is remitted to the Department of Highway Safety and Motor Vehicles and the Department transmits the fee to the State Treasurer to be deposited in the general revenue fund. All moneys appropriated annually for driver education are allocated by the Department of Education to the respective district school boards.

Program Title: Elementary School Counselors

Legal Authorization: Section 236.086, F.S.

Appropriation: Funded as a part of Student Development Services Program for 1976-77

This program authorizes financial support for elementary school counselors.

Basis for distribution. -- The Department is authorized to allocate an amount as prescribed annually by the Legislature for elementary school counselors to the districts in the same ratio as the full-time equivalent student membership of the district to the full-time equivalent student membership of the State for the prior year in grades kindergarten through 6, for the employment of qualified elementary school counselors in accordance with rules prescribed by the State Board.

Program Title: Occupational Specialists and Placement Specialists

Legal Authorization: Section 236.085, F.S.

Appropriation: Funded as a part of Student Development Services Program for 1976-77

This program authorizes financial support for occupational specialists and placement specialists.

Basis for distribution. -- The Department is authorized to allocate an amount as prescribed annually by the Legislature to each district for employment of occupational specialists and placement specialists in the same ratio as the full-time equivalent student membership in vocational programs to the full-time equivalent student membership in vocational programs of the State for the prior year, in accordance with rules prescribed by the State Board.

Program Title: Safe Schools Program

Legal Authorization: Section 232.255, F.S.

Appropriation: None (1976-1977)

It is the intent of the Legislature to provide a fund to assist the local school districts in utilizing their administrative capacity to maintain a safe and orderly learning environment.

Basis for distribution. -- Each school district is eligible to receive an amount of school safety funds per year up to the sum available to such district produced by the following formula, based on full-time equivalent student membership during the preceding year:

(a) for the first 30,000 full-time equivalent students: $1.40 per student,
(b) for the next 20,000 full-time equivalent students: $1.80 per student,
(c) for the next 15,000 full-time equivalent students: $2.35 per student,
(d) for all full-time equivalent students in excess of 65,000: $4.00 per student.

The law provides that each school district receive a minimum of $5,000. If there are additional funds appropriated, each school district shares in said additional funds in proportion to the amount its entitlement above set forth bears to the amount appropriated. However, no moneys were appropriated for this program for the 1976-1977 fiscal year.

Program Title: Comprehensive Health Education Program

Legal Authorization: Section 233.067, F.S.

Appropriation: $961,700 (1976-1977)

The Comprehensive Health Education Act of 1973 creates a comprehensive health education program for children and youths in kindergarten through grade 12.

Basis for distribution. -- Pursuant to policies adopted by the Commissioner of Education, each district school board, and each school principal through the district school board, may submit to the Commissioner a proposed program designed to effectuate an exemplary comprehensive health education project in the district or school.

The Commissioner shall review and approve, disapprove, or return for modification all proposed comprehensive health education programs submitted. For those programs approved, the Commissioner authorizes distribution of funds equal to the cost of the program from funds appropriated to the Department of Education for comprehensive health education purposes.

Program Title: Exceptional Child Support Services
(Regional Diagnostic and Resource Centers)

Legal Authorization: Section 229.832, F.S.

Appropriation: $585,000 (1976-1977)

Section 229.832, Florida Statutes, establishes 18 regional diagnostic and resource centers for exceptional students. Districts authorized to establish centers are Alachua, Bay, Brevard, Broward, Dade, Duval, Escambia, Hillsborough, Lee, Leon, Marion, Okaloosa, Orange, Pinellas, Polk, Palm Beach, Sarasota and Volusia.

Basis for distribution. -- The funds are distributed on a population formula to the 18 districts operating regional diagnostic and resource centers. Funds are obligated through contract procedures and regions are defined in such a way to serve all 67 school districts.

Program Title: Severely and Profoundly Retarded

Legal Authorization: Section 230.23, F.S.

Appropriation: $832,000 (1976-1977)

Each school board provides an appropriate program of special instruction for exceptional children. Programs are implemented in annual increments so that all exceptional children are served, except that all severely and profoundly retarded children will be served by 1977-1978.

Basis for distribution. -- Pursuant to rules adopted by the State Board of Education, a school board may submit to the Commissioner a proposal for a grant for programs for the severely and profoundly retarded.

Program Title: Career Education

Legal Authorization: Section 229.840, F.S.

Appropriation: Funded as a part of Student Development Services Program for 1976-1977

This program authorizes financial support for career education programs.

Basis for distribution. -- The Department is authorized to allocate an amount as prescribed annually by the Legislature to each district for career education, in the same ratio as the full-time equivalent student membership in grades K-12 of the district bears to the full-time equivalent student membership in grades K-12 of the State for the prior year, in accordance with regulations prescribed by the State Board. However, no district shall receive less than $10,000 in any fiscal year.

Program Title: Student Development Services

Legal Authorization: Chapter 76-285, Item 357A, Laws of Florida

Appropriation: $14,865,295 (1976-1977)

This program consolidates three previous transitional categorical programs; namely, Elementary School Counselors, Occupational Specialists and Placement Specialists, and Career Education.

APPENDIX C
PROVISIONS FOR SCHOOL BUDGETS

Legal Authorization: Section 237.071 and 237.081 F.S.; Section 6A-1, SBE Rules

Annual budget forms for all school districts are presecribed by the Commissioner of Education and provided to the districts by the State. Districts may, however, use any supplementary forms they find desirable. The school fiscal year in all district school systems covers the period from July 1 through June 30.

Local approval --- A District budget is prepared by the district superintendent and submitted to the district school board for approval or modification. The school board of any district proposing a tax levy for current operating purposes no greater than the minimum tax levy required to participate in the Florida Education Finance Program, shall cause a summary of its tentative budget, including the proposed millage levies as provided by law, to be advertised one time in a newspaper of general circulation published in the district, or to be posted at the courthouse door if there is no such newspaper. The advertisement shall state that the school board will meet on a day fixed in the advertisement, not earlier than one week and not later than two weeks from the date of the advertising, for the purpose of a public hearing concerning the tentatively adopted budget.

Any school board proposing to establish a tax levy for operating purposes in excess of the millage required of the district to participate in the Florida Education Finance Program shall, in addition to the above requirements, place an additonal advertisement in the same newspaper which shall be one-quarter page in size and be printed in at least 18 point type-size. The advertisement shall contain the millage required to be levied by the school board and the millage proposed by the board, the date, time, and place of the meeting, and state that a public hearing will be held on the issue. The school board shall meet upon the date fixed in the advertisement for the public hearing and from day to day thereafter, if it deems necessary, for the purpose of continuing the public hearings and making whatever revisions in the budget it may deem necessary.

Such board approval of the budget is required by October 1, at which time the budget is transmitted to the Department of Education for review as prescribed by law and rules of the State Board.

State Review (Section 6A-1.04 and 6A-1.071, SBE Rules)---School board approval of the 1976-77 budget is required on or before October 1, 1976 at which time the budget is required to be transmitted to the Commissioner of Education. The State Board prescribes rules to guide the Commisioner in examining budgets submitted by the school boards. The Commissioner has authority to require budgets to be revised when they have not been correctly

prepared. Cash balances in budgets to be carried forward may not exceed 20% of the anticipated tax receipt for operational purposes and unappropriated funds balances may not exceed 5% of total operations and transfers for operational purposes. Also, the district budget must provide for the FEFP local required effort for current operation, in accordance with the requirements of Section 236.081(5), F.S.

If the budget as submitted to the Commissioner of Education is defective, a written report shall be made to the superintendent of schools within 30 days. The school board must authorize the required changes and resubmit the budget with the corrections within 15 days from the date of the report from the Commissioner.

APPENDIX D
EDUCATIONAL EVALUATION

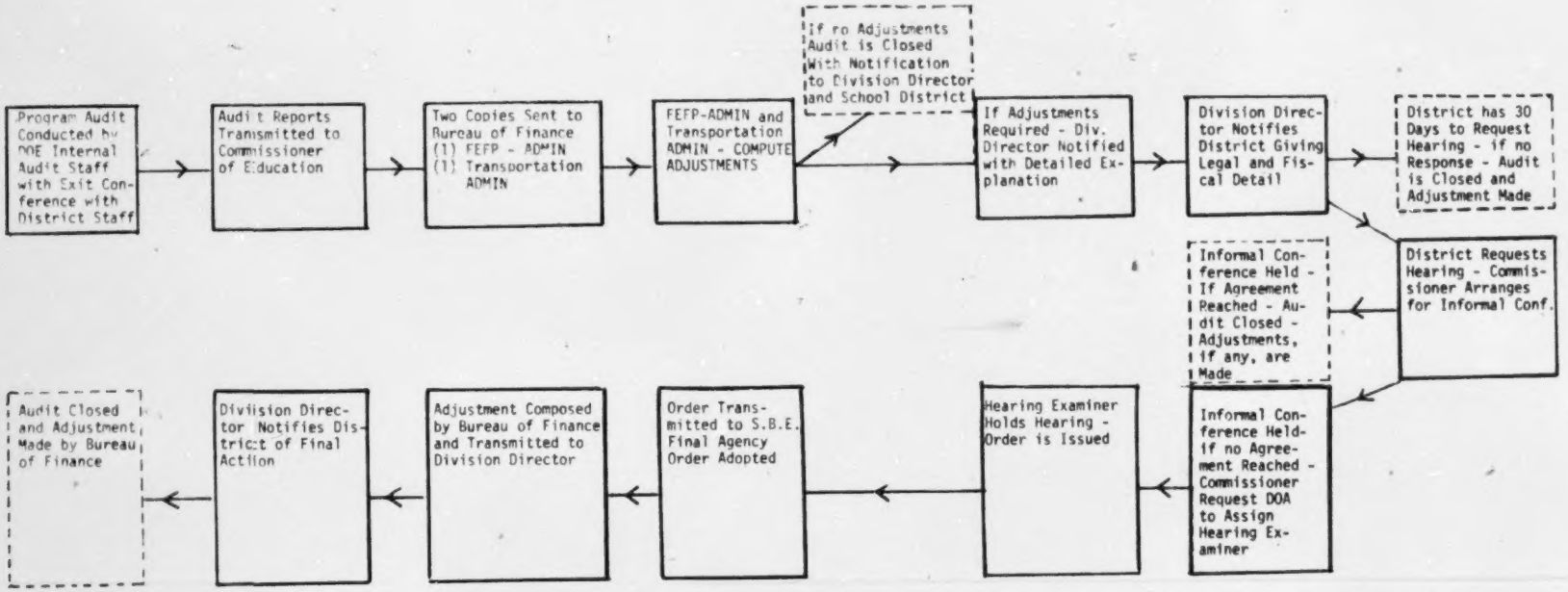
Section 229.565 F.S., specifies that the Commissioner of Education shall examine district procedures and the accuracy of district records including, but not limited to, the following:

(a) reported full-time equivalent membership in each program category,
(b) the organization of all special programs to ensure compliance with law and the criteria established pursuant to Sections 230.23(4)(m) and 233.0682, F.S.;
(c) the procedures for diagnosis and placement of students in special programs for exceptional students to determine that the district is following the criteria for placement established by the Department of Education and the procedures for placement established by the district school board,
(d) the standards by which special programs for exceptional students, special vocational-technical programs, and special adult general education programs are evaluated for quality, efficiency, and effectiveness,
(e) determination of the ratio of administrators to teachers in each school district (this information is reported to the Legislature), and
(f) compliance with the cost reporting and expenditure requirements of Section 237.34, F.S.

If discrepancies or deficiencies are found, the Commissioner of Education provides information and assistance to the superintendent and personnel of the district in correcting the cited deficiencies. If it is determined that approved criteria and procedures for the placement of students and the conduct of programs have not been followed by the district, appropriate adjustments in the district's full-time equivalent student count is made and any excess funds are deducted from subsequent allocations of state funds to that district.

The Commissioner of Education shall develop and implement an integrated information system for public school educational management. Sych system shall contain an overall conceptual design encompassing the management decisions to be made at each educational level and the information needed at each level. Section 237.34 F.S. governs the development of the system.

EDUCATIONAL PROGRAM AUDITS
Section 6A-1.453, State Board Rules


Program Audit Conducted by DOE Internal Audit Staff with Exit Conference with District Staff
Audit Reports Transmitted to Commissioner of Education
Two Copies Sent to Bureau of Finance (1) FEFP - ADMIN (1) Transportation ADMIN
FEFP-ADMIN and Transportation ADMIN - COMPUTE ADJUSTMENTS
If no Adjustments Audit is Closed With Notification to Division Director and School District
If Adjustments Required - Div. Director Notified with Detailed Explanation
Division Director Notifies District Giving Legal and Fiscal Detail
District has 30 Days to Request Hearing - if no Response - Audit is Closed and Adjustment Made
District Requests Hearing - Commissioner Arranges for Informal Conf.
Informal Conference Held - If Agreement Reached - Audit Closed - Adjustments, if any, are Made
Informal Conference Held- if no Agreement Reached - Commissioner Request DOA to Assign Hearing Examiner
Hearing Examiner Holds Hearing - Order is Issued
Order Transmitted to S.B.E. Final Agency Order Adopted
Adjustment Composed by Bureau of Finance and Transmitted to Division Director
Division Director Notifies District of Final Action
Audit Closed and Adjustment Made by Bureau of Finance

D - 2

DBS/BF
1/6/76

APPENDIX E

PURPOSES OF AND PROCEDURES FOR INCURRING SCHOOL INDEBTEDNESS

Section 237.141, F.S. specifies that indebtedness for school purposes may be incurred only as follows:

(1) school districts may issue bonds creating a long-term indebtedness as prescribed by law (Sections 236.36 - 236.51, F.S.),
(2) notes may be issued for money borrowed in anticipation of the receipt of current school funds included in the budget from the State, county, or district (Section 237.151, F.S.),
(3) indebtedness may be incurred for certain purposes as authorized (Section 237.161, F.S.),
(4) bonds or revenue certificates issued on behalf of the district by the State Board of Education as authorized by Section 9(d) of Article XII, State Constitution.

Bonds creating a long-term indebtedness. -- Whenever the residents of a school district desire to issue bonds for the purpose of acquiring, building, enlarging, furnishing, or otherwise improving buildings or school grounds, or for any other exclusive use of the public schools within such school district, they shall present to the school board, a petition signed by not less than 25% of the duly qualified electors residing within the school district, setting forth in general terms the amount of the bonds desired to be issued, the purpose thereof, and that the proceeds derived from the sale of such bonds shall be used for the purposes set forth in the petition. The requirement of such petition may be dispensed with and the proposition of issuing bonds for the purposes listed above may be initiated by the school board providing all legal constraints are met.

It is the duty of the district school board to plan the school financial program of the district so that, insofar as practicable, needed capital outlay expenditures can be made without the necessity of issuing bonds. Whenever the school board proposes an issue of bonds or has received a petition proposing the issuance of bonds, it must determine that the proposed projects are essential for the school program, determine to what extent the proposed project can be carried out with current funds and determine the amount of bonds necessary to be issued to complete the projects as proposed for the district and shall adopt and transmit to the Department of Education a resolution setting forth the proposals with reference to the projects and the proposed plan for financing the projects.

If the Department determines that the issuance of bonds as proposed is unnecessary or is unnecessary in the amount and according to the plan proposed, the Department shall notify the school board and the board then amends its resolution to conform to the recommendation of the Department, and no further action is taken for a period of at least one year on the proposal for the bond issue unless, within 30 days thereafter, a petition signed by at least 35% of the qualified electors within the district is received by the school board requesting that an election be called to vote bonds for the purposes set forth and in an amount which shall not exceed the amount of bonds proposed by the school board.

When a resolution proposing a bond issue has been approved by the Department or when such a proposal has been rejected by the Department of Education and a new petition signed by 35% of the qualified electors of the district has been presented, the school board publishes the resolution and an election is held. If the majority of the votes cast are "for bonds" the school board is authorized and required to issue the bonds authorized by said election for the purposes specified in the resolution as published; but, if the majority of the votes cast are "against bonds" no bonds are issued.

The school board may prescribe the denomination of the bonds to be issued and such bonds may be issued with or without interest coupons in the discretion of the board. The form of the bonds to be issued may be prescribed by the State Board on the recommendation or the Department of Legal Affairs. The schedule of maturities of the proposed bonds is so arranged that the total payments required each year, including the payments on other bonds outstanding against the district, are as nearly equal as practicable. The schedule shall provide that all bonds are to be retired within a period of 20 years unless a longer period is required and has been specifically approved by the Department of Education. If the interest exceeds 2.99 percent, bonds are required to be callable after 10 years. Proceeds from bond sales may be invested when their use is not immediately required.

The school board maintains a complete record of all bonds issued. The record shall show upon what authority the bonds are issued, the amount for which issued, the persons to whom issued, the date of issuance, the purpose or purposes for which issued, the rate of interest to be paid, and the time and place of payment of each installment of principal and interest. The record is arranged to show the amount of principal and interest to be paid each year and shall also show the annual or semi-annual payments which are made and the bonds which are cancelled. State Board rules limit the amount of school bonded indebtedness to 10% of the nonexempt assessed valuation of the district and the amortization period to not more than twenty years except with specific approval of the State Board.

Notes issued for money borrowed in anticipation of current school funds. -- At any time the district school funds on hand are insufficient to pay obligations created by the school board, in accordance with the official budget of the district, the school board is authorized to negotiate a current loan to pay these obligations. The board may borrow up to 80% of the revenue anticipated from district taxes at a rate of interest not exceeding 7 1/2% per annum (authorized in Section 236.68, F.S.). The loan must be paid in full before the school board can be authorized to borrow money in any succeeding year.

In the event that county tax roll is in litigation and the tax collector is prevented from collecting taxes, the 80% restriction does not apply if the collection of taxes is delayed beyond May 1. Under such conditions the district board has authority to borrow money at a rate not to exceed 6% per annum to pay debt service necessary for the outstanding bonds at the times

needed to prevent the bonds or interest payments from being in default. The amount borrowed is limited to the amount of the district interest and sinking fund tax receipts included in the official budget or the amount necessary to meet such obligations, whichever is the lesser. Any money borrowed for payment of such debt service must be repaid from the district interest and sinking fund.

Indebtedness incurred for certain purposes. -- The district school board is authorized under certain conditions to create obligations by way of anticipation of budgeted revenues accruing on a current basis without pledging the credit of the district or requiring future levy of taxes for certain purposes for a period of one year. However, such obligations may be extended from year to year with the consent of the lender for a period not to exceed four years. The purposes for which such obligations may be incurred shall include only the purchase of school buses for transportation of pupils, the purchase of land for school sites and erection, alteration or addition to school plants, the purchase of school plant equipment and the adjustment of insurance on school porperty on a five year plan, as provided by the rules of the State Board. The proposed obligations must not exceed one-fourth of the district ad valorem tax revenue for operations for the preceding year. The loan proposal must be approved by the Department of Education, and the school board, upon approval, issues interest-bearing notes for the obligations. The notes provide the terms of payment and shall not bear interest in excess of 7 1/2% per annum (Section 236.68 F.S.).

Bonds or revenue certificates issued on behalf of the district by the State Board of Education as authorized by the Constitution. -- The State Board of Education is authorized to issue bonds for capital outlay purposes under the authority of Section 9(d) (Capital Outlay and Debt Service) and Section 9(a) (Gross Receipts Tax Bonds) of Article XII of the Florida Constitution. The Division of Bond Finance is directed to act as agent for the State Board of Education in sale of such bonds. Previously, the State Board handled all bond sales directly.

APPENDIX F
COST ACCOUNTING AND COST REPORTING SYSTEM

Legal Authorization: Section 237.34, F.S.

Cost Accounting. -- Each district shall account for expenditures of all state, local and federal funds on a school-by-school and district-aggregate basis in accordance with A Manual, Financial and Program Cost Accounting and Reporting for Florida Schools or as provided by law. The method used by each district when recording and reporting cost data by program shall be reviewed and approved by the Department in accordance with rules prescribed by the State Board. All districts, in cooperation with the Department, shall plan mutually compatible programs for the refinement of cost data and the improvement of the accounting and reporting system.

Cost Reporting. --

(a) Each district shall report on a district-aggregate basis expenditures for inservice training and for cateogrical programs.
(b) Each district shall report on a school-by-school and on an aggregate distict basis expenditures for each program set forth in The Florida Education Finance Program.
(c) The Commissioner shall present to the Legislature 90 days prior to the opening of the regular session each year a district-by-district report of the expenditures reported pursuant to the two previous paragraphs. The report shall include total expenditures, a detailed analysis showing expenditures for each program, and such other data as may be useful for management of the educational system. The Commissioner shall also compute cost factors for each district reflecting actual expenditures relative to the base student allocation for each of the programs in the Florida Education Finance Program.

Program Expenditure Requirements. --

(a) For each program established in The Florida Education Finance Program, each district, on an aggregate basis, shall expend an amount equal to at least 80 percent of the funds generated for that program on the total school costs for that program.
(b) Funds for inservice training and for categorical programs shall be expended for the costs of the identified programs in accordance with the rules of the State Board.
(c) In the event a district fails to meet any of the expenditure requirements as set forth herein, the Commissioner shall notify the superintendent of the district involved and shall require that the school board make provision for correcting the deficiency in the subsequent year's operating budget. The Commissioner shall not approve the district budget until he has determined that the provisions have been made to correct the deficiency.

APPENDIX G

SAMPLE FEFP CALCULATIONS

This sample FEFP calculation focuses on one district (District "X") and supplies examples of each computation required to arrive at the total allocation of state funds for District "X".

District "X"
District Cost Differential 1.01234
Base Student Allocation $754.51
Non-Exempt Assessed Valuation $3,618,708,771.
Required Local Effort: 0.0063 x 0.95 x $3,618,708,771 = $21,657,972

FTE Counts by District

BASIC EDUCATION PROGRAMS (only sample programs shown)	COUNT 1 UNWEIGHTED (SUMMER COUNT)	COUNT 2 UNWEIGHTED	COUNT 3 UNWEIGHTED	COUNT 4 UNWEIGHTED (SUMMER COUNT)	TOTAL UNWEIGHTED
KINDERGARTEN THROUGH GRADE 3		9,434.25	9,570.23	.64	19,005.12
GRADES 4,5,6,7,8, AND 9	86.90	19,090.14	18,851.78	108.88	38,137.70
GRADES 10, 11 AND 12	75.31	3,352.47	3,072.26	92.70	6,592.74
EXCEPTIONAL EDUCATION PROGRAMS					
EDUCABLE MENTALLY RETARDED	3.99	479.47	538.22	4.39	1,026.07
PHYSICALLY HANDICAPPED	1.61	87.18	92.89	1.14	182.82
VOCATIONAL EDUCATION PROGRAMS					
VOCATIONAL EDUCATION III	14.38	993.34	995.90	83.13	2,086.75
ADULT EDUCATION PROGRAMS					
ADULT-COMMUNITY SERVICE	37.25	247.92	278.53	78.58	642.28

PROGRAM (only sample programs shown)	UNWEIGHTED FTE REPORTED	WEIGHTED FTE REPORTED	WEIGHTED FTE INELIGIBLE	WEIGHTED FTE NET
K - Grade 3	19,005.12	23,452.31808	---------	23,452.31808
Grades 4 - 9	38,137.70	38,137.70000	---------	38,137.70000
Grades 10-12	6,592.74	7,252.01400	---------	7,252.01400
Educable Mentally Retarded	1,026.07	2,359.96100	00	2,359.96100
Physically Handicapped	182.82	639.87000	143.99286	495.87714
Vocational Education III	2,086.75	4,549.11500	00	4,549.11500
Adult-Community Service	642.28	433.53900	433.53900	00
TOTAL				76,246.98522

Net weighted FTE x Base Student Allocation	76,246.98522 x $ 754.51 $57,529,113.
Multiplied by District Cost Differential	$57,529,113. x 1.01234 $58,239,022.
Plus Minimum Level Funding, if any	$58,239,022. + 0 $58,239,022.
Minus Required Local Effort	$58,239,922. -21,657,972.
STATE SHARE BASIC AMOUNT FOR CURRENT OPERATION	$36,581,050.

To this amount, adjustments are made producing the FEFP allocation.

To this amount
(a) the categorical program funds are added,
(b) the special allocations are added, and
(c) comprehensive school construction, capital outlay, and debt service funds are added,

producing the TOTAL STATE ALLOCATION.

Administering Program Maximums ("Caps")

When the actual full-time equivalent membership multiplied by the appropriate cost factor exceeds the assigned maximum, such excess full-time equivalent membership is computed at a cost factor of 1.00. There is one exception. Excess full-time equivalent membership in the adult community service program is computed at a cost factor of 0.0. However, this program's maximum for 1976-77 is 0.0. Unused program maximums may be reassigned by the Department to the program having the highest incidence of need within major program areas (exceptional students, vocational and adult general education).

Sample Calculation for Physically Handicapped Program

(1)
```
  182.82     Actual unweighted FTE
    3.50     Program cost factor (physically handicapped)
  639.87000  Actual weighted FTE
```

(2)
```
  639.87000  actual weighted FTE
 -438.28000  assigned maximum weighted FTE
  201.59000  difference in actual/assigned weighted FTE
```

(3) Program Cost Factor 3.50) 201.59000 = 57.59714 unweighted FTE's above maximum (difference in weighted FTE)

(4) 57.59714 x 1.00 = 57.59714 weighted FTE above maximum

(5)
```
  438.28000  assigned FTE maximum
+  57.59714  FTE's above maximum
  495.87714  NET weighted FTE earned
```

Alternate Sample Calculation

```
 -201.59000  over maximum
+  57.59714  FTE at weight of 1.00
 -143.99286  Net weighted FTE over maximum

 +639.87000  Reported FTE earned
 -143.99286  Net weighted FTE over maximum
  495.87714  Net weighted FTE earned
```

APPENDIX H
DISTRICT COST DIFFERENTIAL FACTORS
1976-77

The Commissioner of Education shall annually compute for each district the current year's district cost differential. In computing the district cost differential, the Commissioner shall obtain from the most recent publication of the Florida price level index prepared by the Department of Administration each district's price level index. Each district's price level index shall be multiplied by 0.008. To this product shall be added 0.200. The resulting sum shall be the cost differential for that district for that year.

Alachua	0.98096	Lake	0.97224
Baker	0.96072	Lee	1.00992
Bay	0.95072	Leon	0.97792
Bradford	0.93832	Levy	0.94440
Brevard	0.98200	Liberty	0.94472
Broward	1.03216	Madison	0.93896
Calhoun	0.97048	Manatee	0.99160
Charlotte	0.97976	Marion	0.95688
Citrus	0.96904	Martin	1.02784
Clay	0.99640	Monroe	1.07408
Collier	1.02848	Nassau	0.97680
Columbia	0.95816	Okaloosa	0.96856
Dade	1.05912	Okeechobee	0.95872
DeSoto	0.95656	Orange	0.96176
Dixie	0.95352	Osceola	0.93048
Duval	1.00168	Palm Beach	1.03536
Escambia	0.94864	Pasco	0.94632
Flagler	1.02992	Pinellas	1.00088
Franklin	0.93824	Polk	0.94208
Gadsden	0.94240	Putnam	0.93456
Gilchrist	0.95984	St. Johns	0.96072
Glades	1.00120	St. Lucie	0.98808
Gulf	0.94384	Santa Rosa	0.95776
Hamilton	0.96568	Sarasota	0.98584
Hardee	0.94952	Seminole	0.96176
Hendry	0.98480	Sumter	0.98696
Hernando	0.95904	Suwannee	0.92056
Highlands	0.96400	Taylor	0.93720
Hillsborough	0.97280	Union	0.93880
Holmes	0.91696	Volusia	0.98240
Indian River	1.01976	Wakulla	0.95272
Jackson	0.94496	Walton	0.93824
Jefferson	0.97936	Washington	0.92568
Lafayette	0.92992		

APPENDIX I
EDUCATIONAL TRAINING

Section 236.0811, F.S. --- Educational Training

Each school board shall develop and maintain an educational training program. Funds appropriated to the school districts for the purposes of this section shall be used exclusively for educational training programs meeting criteria established by the Department of Education.

When a district has an approved teacher education center, the inservice programs shall be conducted in accordance with the provisions of the Teacher Education Center Act of 1973, as amended.

Section 236.081(4), F.S. --- Educational Training Expenditure

Five dollars per full-time equivalent student shall be expended for educational training programs as determined by the district school board as provided in Section 236.0811, F.S.

If a district has an approved teacher education center, at least $3.00 of the $5.00 shall be expended as provided in the Teacher Education Center Act of 1973, as amended.

In August, 1975, General Counsel of the State Board of Education issued the following ruling concerning the legal expenditure of the three dollars per full-time equivalent student in each district which has an approved teacher education center.

> General counsel interprets Section 236.081, Florida Statutes, to mean that three dollars ($3) of the five dollars ($5) will be expended for inservice personnel training through the approved teacher education center. Each district participating in multi-county collaborative arrangements must expend all its three dollars ($3) per full-time equivalent student for inservice personnel training through the one approved teacher education center as designated by the cooperating districts.
>
> General Counsel would, however, sanction an accounting process where districts in multi-district organizations allocate all three dollars ($3) per FTE to the one designated teacher education center with the conditional recommendation that a portion of the allocation be returned to the district for the maintenance of local comprehensive inservice training programs. The amount to be reapportioned should be designated by the participating districts, recommended by the one state approved teacher education center council, approved by the designated school board through the Superintendent, and used exclusively for inservice personnel training meeting master plan criteria.

Sections 231.600 - 236.610, F.S. --- Teacher Education Center Act of 1973

The purposes of this act are to declare a new state policy for the education of teachers and to provide support for the developmental and operational activities required to implement the new policy.

The responsibility for operating programs for preservice and inservice teacher education is assigned jointly to the colleges and universities, to the district school boards, and to the teaching profession, with the colleges and universities having the primary responsibility for operating preservice programs, the school districts having primary responsibility for operating inservice programs, and the teaching profession having the responsibility for providing information to make each institution's program meaningful and relevant.